



THE SECRETARY OF HEALTH AND HUMAN SERVICES  
WASHINGTON, D.C. 20201

AUG - 8 2006

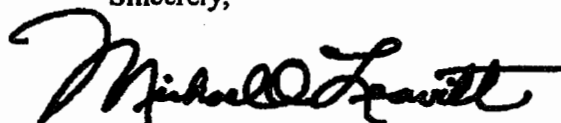
The Honorable Richard Cheney  
President of the Senate  
United States Senate  
Washington, D.C. 20510

Dear Mr. President:

Enclosed is the third annual financial report to Congress required by the Medical Device User Fee and Modernization Act of 2002 (MDUFMA). This report covers fiscal year (FY) 2005, documenting how the conditions specified in MDUFMA for the continued collection of medical device user fees were met.

The report also presents the user fee revenues and related expenses for FY 2005, and details the amount carried over at the end of the year that remains available. For FY 2005, net MDUFMA user fee collections totaled \$31.1 million, and fees obligated totaled \$27.2 million. In addition, FDA received a significant increase in appropriations for its device program in FY 2005. Over 65 percent of the funds spent for device review went for staff salaries and benefits, and the remainder went toward increased support and infrastructure for the device review program.

Sincerely,



Michael O. Leavitt

Enclosure

*Identical letters to:*

Speaker of the House of Representatives  
Chairman and Ranking Minority Member, Committee on Health, Education, Labor, and  
Pensions, United States Senate  
Chairman and Ranking Minority Member, Committee on Energy and Commerce,  
House of Representatives